



South Coast Air Quality Management District

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LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, MARCH 12, 2010 MEETING MINUTES

MEMBERS PRESENT:

Greg Adams, L.A. County Sanitation District
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California/All Metals
Todd Campbell, Clean Energy
Daniel Cunningham, Metal Finishing Association
Jacob Haik, Office of School Board Member Richard Vladovic
Art Montez, AMA International
Kelly Moulton, Paralegal
Steve Mugg, South Orange County Representative, City of Mission Viejo

MEMBERS ABSENT:

Dennis Yates, AQMD Governing Board Member, LGSBA Chairman
Ronald Loveridge, AQMD Governing Board Member, LGSBA Vice Chairman
Felipe Aguirre, Vice Mayor, City of Maywood
Eric Busch, Representative, South Bay Cities Council of Governments
Maria Elena Kennedy, Kennedy Communications
James R. Krausz, Esq., ALA Inland Counties
Angelo Logan, East Yard Communities for Environmental Justice

OTHERS PRESENT:

Earl Elrod, Board Member Assistant (*Yates*)
Nicole Nishimura, Board Member Assistant (*Lyou*)
Kris Flaig, City of Los Angeles/SCAP
Rita Loof, Radtech

AQMD STAFF:

Barbara Baird, District Counsel
Naveen Berry, Planning & Rules Manager
Marc Carrel, Program Supervisor
Philip Crabbe, Community Relations Manager
Nancy Feldman, Principal Deputy District Counsel
Lori Langrell, Secretary
Fred Lettice, Senior Air Quality Engineering Manager
John Olvera, Principal Deputy District Counsel
Ricardo Rivera, Senior Staff Specialist
Greg Ushijima, Air Quality Engineer II

Agenda Item #1 - Call to Order/Opening Remarks

Mr. Philip Crabbe called the meeting to order at 11:04 a.m.

Agenda Item #2 – Approval of February 12, 2010 Meeting Minutes/Review of Follow-Up/Action Items

Mr. Crabbe called for approval of the meeting minutes.

The February 12, 2010 meeting minutes were approved.

***Action Item:** Staff to provide a discussion on the Federal Transportation bill.*

✓ Completed.

***Action Item:** Staff to check with Technology Advancement regarding any direct contact with aviation engine manufacturers.*

✓ Completed. No direct contact has been made.

Agenda Item #3 – Proposed Amended Rule 1144 – Vanishing Oils and Rust Inhibitors

Mr. Naveen Berry provided a presentation regarding Proposed Amended Rule 1144 - Vanishing Oils and Rust Inhibitors.

Mr. Paul Avila asked if there were many manufacturers. Mr. Berry replied petroleum based products are manufactured by major refineries and other small refineries. There are about 30 to 40 formulators and suppliers. Mr. Avila asked if their testing matrix is shown on the same page. Mr. Berry affirmed this, and said that it was a one year process, working with the industry representatives, and a trade association called the International Lubricant Manufacturers Association.

Mr. Art Montez inquired if this is a standard method for the industry, and is it field tested or lab tested? Mr. Berry replied they researched other alternative test methods, and found the Department of Pesticide regulations already had a test method that relied on this thermogravimetric approach. The District started with that test method protocol as the baseline. Mr. Montez then asked if industry is adapting and changing their standards to match that. Mr. Berry pointed out that Chair Yates has emphasized a public/private partnership, and that is the direction that staff has followed, and this is a prime example of where working together has resulted in reductions, as well as establishing limits that minimize impacts to the businesses.

Mr. Geoff Blake asked if in the process of making decisions, the effectiveness of the product is addressed, as well as whether it is a useable product. Mr. Berry responded that the initial proposal did include limits that would be going from 75 or 130 down to 50 grams per liter, which rely on some of the alternative technologies. However, those final limits are not included in the proposed rule, so staff and industry can continue to review those alternative technologies.

Mr. Greg Adams inquired, with regard to thermogravimetric methodology, is it a SIP submitted rule, and will EPA have to approve it? Mr. Berry responded in the affirmative, and stated that they are already reviewing it. Mr. Adams asked what the existing inventory is. Mr. Berry replied about 2.5 tons.

Mr. Avila asked what a non-compliant oil is, and where would you get it. Mr. Berry replied it is low viscosity oil, 40 SUS (Saybolt Universal Seconds) oil very commonly used for certain types of applications, and added that mineral spirits are used in the lubricants market in terms of the vanishing oils. This focuses on a small subset, removing the solvent portion, in order to get the emission reductions.

Mr. Blake asked if any major opposition from either side is expected to occur on April 2 at the hearing. Mr. Berry replied that perhaps opposition may come from suppliers of the bio-based products or the alternative technology products that would meet the 50g/l limit originally proposed.

Mr. Todd Campbell asked about some of the alternative providers, and emissions performances. Mr. Berry replied the VOC levels go well below the 50 gram per liter level. Mr. Campbell further asked if there is a blueprint or proposal to move forward with these other technologies, and a timeframe for such. Mr. Berry indicated that staff wants to track use of the traditional products, and track growth in use of alternative products. If they see growth from today's small percentages to a greater level in the next 3-4 years it validates the point that they are working in a broad range of industries. Mr. Campbell also asked if the Technology Advancement Office is working with them regarding any incentives. Mr. Berry replied they are working closely with industry to identify sources of funds that can be made available.

Agenda Item #4 – Briefing on EPA Tailoring Rule

Ms. Barbara Baird provided a presentation regarding the EPA Tailoring Rule.

Mr. Campbell asked what services are covered, not including the District objections mentioned, and what would be covered in future. Ms. Baird indicated that at the 25,000 ton CO₂ level, smaller combustion equipment, boilers and heaters would be typically included. Without the tailoring rule you would cover hospitals, small restaurants, schools, etc. Mr. Campbell then asked what sources are covered by the rule now. Ms. Baird indicated the District did not disagree with EPA's 25,000 ton level but others did, so they raised it to 75,000 ton initially.

Mr. Adams asked if, depending on assumption of use, the 25,000 ton threshold is equivalent to a 7 megawatt gas turbine. Mr. Blake asked what would be the comparison to therms of natural gas burned in a year, i.e. 100,000 therms of natural gas would produce how many tons of CO₂? Mr. Adams replied that 1.3 million cubic feet per day of natural gas equates to 25,000 metric tons of CO₂.

Mr. Campbell asked if CARB was looking at using the 25,000 metric tons standard. Ms. Baird replied in the affirmative.

Mr. Montez asked what type of business would be at the lowest threshold. Ms. Baird replied that it would be smaller industrial sources, combustion turbines. Mr. Montez asked for an example of the type of industry. Mr. Geoff Blake said that plating industry would be an example. Mr. Jacob Haik also indicated that if this rule stays the same, it would include schools.

Mr. Campbell asked if anyone on staff knows how this will work with CARB's regulatory scheme. Ms. Baird replied that CARB is not planning on implementing a cap-and-trade program through permits. Rather, AQMD will administer PSD (Prevention of Significant Deterioration) and Title V permits that are covered under the CARB program, although the thresholds are different.

Agenda Item #5 – Update on Federal Surface Transportation Reauthorization Bill

Mr. Marc Carrel provided an update on the Federal Surface Transportation Reauthorization Bill.

Mr. Montez asked with regard to mass transit, if the bullet train is federally funded. Mr. Carrel indicated that the President provided funding through ARRA money for this purpose to Florida, California and the Midwest, with California receiving the majority of funding. The Obama administration has stated they want more funds to be provided for this.

Mr. Avila asked whether the fiscal stimulus and TARP money is all gone regarding transportation. Mr. Carrel replied he believes the Department of Transportation has distributed most if not all of the ARRA money. There was the TIGER project, which was a discretionary fund, and those funds were released in the last month.

Agenda Item #6 – Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #7 – Update on Climate Change Activities (Written Report)

Ms. Jill Whynot provided a written report update on climate change activities.

Agenda Item #8 - Other Business

Mr. Montez asked if trees under the tree planting program are being planted in high impact areas. Ms. Baird stated that the tree planting partnership involves working with local governments. Mr. Montez then asked if the District can provide a list of where trees have been planted.

Action Item: Provide a listing of where the tree planting program has been implemented.

Agenda Item #9 - Public Comment

None.

Agenda Item #10 - Adjournment

The meeting adjourned at 12:08 p.m.